



BROMLEY CIVIC CENTRE, STOCKWELL CLOSE, BROMLEY BRI 3UH

TELEPHONE: 020 8464 3333

CONTACT: Graham Walton  
[graham.walton@bromley.gov.uk](mailto:graham.walton@bromley.gov.uk)

DIRECT LINE: 0208 461 7743

FAX: 020 8290 0608

DATE: 21 May 2012

To: Members of the

## **GENERAL PURPOSES AND LICENSING COMMITTEE**

Councillor Tony Owen (Chairman)

Councillor Russell Mellor (Vice-Chairman)

Councillors Nicholas Bennett J.P., John Canvin, Roger Charsley, Roxy Fawthrop, John Getgood, Julian Grainger, Will Harmer, Gordon Norrie, Ian F. Payne, Charles Rideout, Diane Smith, Tim Stevens and Pauline Tunncliffe

A meeting of the General Purposes and Licensing Committee will be held at Bromley Civic Centre on **TUESDAY 29 MAY 2012 AT 7.00 PM**

MARK BOWEN  
Director of Resources

*Copies of the documents referred to below can be obtained from*  
[www.bromley.gov.uk/meetings](http://www.bromley.gov.uk/meetings)

### **A G E N D A**

**1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

**2 DECLARATIONS OF INTEREST**

**3 CONFIRMATION OF MINUTES OF THE MEETINGS HELD ON (A) 14TH MARCH 2012 AND (B) 16TH MAY 2012 AND MATTERS OUTSTANDING FROM PREVIOUS MEETINGS**

(Pages 3 - 14)

**4 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

In accordance with the Council's Constitution, questions to this Committee must be received in writing 4 working days before the date of the meeting. Therefore please ensure questions are received by the Democratic Services Team by 5pm on Wednesday 23<sup>rd</sup> May 2012.

**5 LOCALISED PAY AND CONDITIONS OF SERVICE**

(To follow)

**6 LICENSING SUB-COMMITTEE: SCHEDULE OF MEETINGS**

(Pages 15 - 20)

- 7 **APPOINTMENT OF COUNCIL REPRESENTATIVES TO OUTSIDE BODIES AND PARTNERSHIPS 2012/13**  
(Pages 21 - 28)
- 8 **AUDIT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 8TH MARCH 2012, EXCLUDING EXEMPT INFORMATION**  
(Pages 29 - 32)
- 9 **LOCAL JOINT CONSULTATIVE COMMITTEE: MINUTES OF THE MEETING HELD ON 22ND MARCH 2012**  
(Pages 33 - 38)
- 10 **PENSIONS INVESTMENT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 8TH MAY 2012**  
(Pages 39 - 44)
- 11 **LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**Items of Business**

**Schedule 12A Description**

- |    |  |   |
|----|--|---|
| 12 | <b>AUDIT SUB-COMMITTEE: EXEMPT MINUTES - 8TH MARCH 2012</b><br>(Pages 45 - 48)             | Any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.                             |
| 13 | <b>PENSIONS INVESTMENT SUB-COMMITTEE: EXEMPT MINUTES - 8TH MAY 2012</b><br>(Pages 49 - 50) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |

.....

## **GENERAL PURPOSES AND LICENSING COMMITTEE**

Minutes of the meeting held at 7.30 pm on 14 March 2012

### **Present:**

Councillor Tony Owen (Chairman)

Councillors Nicholas Bennett J.P., Roger Charsley, Roxy Fawthrop, John Getgood, Ellie Harmer, Gordon Norrie, Ian F. Payne, Tim Stevens J.P., Harry Stranger and Michael Turner

### **Also Present:**

Councillor Douglas Auld

### **182 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Will Harmer (replaced by Councillor Ellie Harmer), Russell Mellor, Charles Rideout (replaced by Councillor Michael Turner), Diane Smith and Stephen Wells.

### **183 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **184 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 1ST DECEMBER 2011**

**RESOLVED** that the minutes of the meeting held on 1<sup>st</sup> December 2011 be confirmed.

### **185 MATTERS OUTSTANDING FROM PREVIOUS MEETINGS**

The Committee noted that the only matter listed was now closed.

### **186 QUESTIONS FROM MEMBERS OF THE PUBLIC ATTENDING THE MEETING**

No questions had been received.

### **187 REVISION OF LICENSING POLICY 2012** Report ES12043

At its meeting on 28<sup>th</sup> September 2011 the Committee had approved suggested changes to the Statement of Licensing Policy as the basis for statutory consultation. The main changes proposed were –

- Revisions to the Cumulative Impact Policy, based on good practice found in Brighton's Statement of Licensing Policy.
- Changes to the policy for dealing with representations, in particular petitions.
- Drawing a distinction between "minor" and "major" variations to a license.

About 1,000 letters had been sent out, and 44 responses had been received. The consultation period had now finished and Members considered the comments that had been received. In particular, Members took into account the email from Waitrose Limited concerning the inclusion of off licences in the Cumulative Impact Policy, but they concluded that the policy was reasonable and evidence-based.

**RESOLVED that the responses to the public consultation exercise as summarised at paragraph 3.7 and appendix 4 of the report be noted, in particular the comments of Waitrose Limited on the legality of including Off Licences in the Special Policy of Cumulative Impact.**

**RECOMMENDED that Council approves the changes to the Statement of Licensing Policy set out in appendices 1, 2 and 3 for adoption.**

**188 GUIDANCE ON "REVIEW" HEARINGS FOR MEMBERS OF LICENSING SUB-COMMITTEES**  
Report ES12053

At the request of Councillor Nicholas Bennett, officers had prepared a draft guide to "Review" hearings to offer a more structured and consistent approach to decision making.

In the section on Protection of Children from Harm – under age sales (page 85) it was proposed that the suggested starting point should be "Suspend the licence for 1-3 months" (in bold) (1<sup>st</sup> time) and "Suspend the licence for 3 months or Revoke the Licence." (2<sup>nd</sup> time.)

**RESOLVED that the guidelines for use by the Licensing Sub-Committee when hearing "Review" applications be adopted with the change set out above.**

**189 GUIDANCE ON MAKING A LICENSING APPLICATION - VOLUNTARY CONDITIONS IN THE OPERATING SCHEDULE**  
Report ES12049

When a licence application was made the applicant was supposed to complete an 'Operating Schedule' (Part P of the form) in which they stated how they would operate to promote the 4 licensing objectives. If there were no representations then these statements become conditions. However, these

were often written in very general terms and the Council could not make significant alternations to them - this led to very variable conditions which could be difficult to enforce.

In addition, the Council could only impose a licence condition when an application was being decided by a Licensing Sub-Committee following relevant representations. Even then, the condition had to be necessary and proportionate. Over time slightly different conditions may have been used by Sub-Committees.

The Council was not able to strictly apply a set of standard conditions to applications but it would be good practice to publish examples of well written conditions, with the expectation that new applicants would adopt those which were appropriate to their business. A first draft had been drawn up (appendix 1 to the report) which would be published on the Council's Website and sent out with requests for application packs. It was intended that the guidance would be continue to be improved by officers.

Councillor Nicholas Bennett, who had proposed the preparation of the guidance, suggested that the Council should offer a standard refusal book with numbered pages for the "challenge 25" scheme, and could consider patenting and selling it. Officers emphasised that it was difficult to insist on the use of a particular standard book, but Trading Standards did have a model which could be promoted. Councillor Bennett requested to see a copy.

A small typing error was identified in the first line of paragraph 9, where "that" should read "than."

**RESOLVED that the guidance to applicants on voluntary conditions be approved and published.**

**190            NOMINATION FOR APPOINTMENT AS AN HONORARY  
                  ALDERMAN  
                  RES12050**

The Committee was asked to support the nomination of former Councillor Peter Bloomfield, who had served as member for Darwin Ward for twenty-eight years (1982-2010), as an Honorary Alderman. Former Councillor Dorothy Laird was also suggested – this would be followed up.

**RECOMMENDED that Council appoints former Councillors Peter Bloomfield and Dorothy Laird as Honorary Aldermen.**

**191            APPOINTMENTS TO OUTSIDE BODIES  
                  Report RES12049**

The Committee considered a number of vacancies that had arisen on outside body appointments.

**RESOLVED that**

**(1) Councillor Ian Payne be appointed to serve as the Council's representative on the Diocese of Rochester Board of Education for the three year period expiring on 31<sup>st</sup> December 2014 (subject to further clarification of the role).**

**(2) Mrs C Truelove be re-appointed to the Hayes (Kent) Trust for the four year period expiring in May 2016.**

**(3) That the vacancy on the Phillips and Lubbock Foundation be deferred to the Committee's next meeting.**

**192            PROGRAMME OF MEETINGS 2012/13**  
Report RES 12039

The Committee considered the proposed Programme of Meetings for the 2012/13 Council year. The programme was loosely based on the current timetable, but contained a slight overall reduction in the number of meetings. Councillor Douglas Auld, as Chairman of the Public Protection and Safety PDS Committee, requested that his Committee be allocated two meetings on 31<sup>st</sup> May and 24<sup>th</sup> July 2012 in place of the proposed meeting on 26<sup>th</sup> June, and it was also suggested that the full Council meeting proposed for 5<sup>th</sup> November be moved back one week to 12<sup>th</sup> November 2012.

As proposed by the Constitution Improvement Working Group, the Committee also considered the start time of meetings and decided to recommend that the normal evening start time for meetings should be 7pm. As the start time for ordinary full Council meetings was set out as 7.30pm in the Council's Constitution (Council Procedure Rules, page 66) it was necessary to seek approval from Council for this change.

**RESOLVED that the proposed Programme of Meetings for 2012/13 as set out in appendix 1 be approved, subject to the following changes –**

**(a) the proposed meeting of the Public Protection and Safety PDS Committee on 26<sup>th</sup> June 2012 be replaced by two meetings on 31<sup>st</sup> May and 24<sup>th</sup> July 2012;**

**(b) the proposed meeting of the Council on 5<sup>th</sup> November 2012 be moved to 12<sup>th</sup> November 2012.**

**RECOMMENDED that Council agrees that, from 2012/13 onwards, the normal evening start time for full Council meetings, Committees and Sub-Committees be 7pm, subject to each body retaining the flexibility to start at a different time if necessary, and further daytime meetings be permitted where there is agreement from all the relevant Members.**

**193 EXECUTIVE ASSISTANTS: ANNUAL REPORT 2011/12**  
Report RES12037

As part of the consideration of the Members' Allowances Scheme, the Committee received reports each year from those Members appointed as Executive Assistants covering the work that they had undertaken in justification of their special responsibility allowance.

Councillor Nicholas Bennett reminded the Committee that the Constitution Improvement Working Group had suggested that Members appointed to significant outside bodies should also provide a report back on their work. This had been approved by Council in December 2009.

**RESOLVED**

- (1) That the reports of the Executive Assistants be noted.**
- (2) That officers ensure that reports are received from Members appointed to outside bodies with significant role and budget.**

**194 MEMBERS' ALLOWANCES SCHEME 2012/13**  
Report RES12038

The Committee considered a report on the proposed Members' Allowances Scheme for 2012/13, including the Mayoral and Deputy Mayoral allowance. It was recommended that all allowances remained frozen at current levels.

Councillor John Getgood commented that he thought that the number of allowances should be reduced, and that he could not therefore support the Scheme.

**RECOMMENDED that Council approves the proposed Members Allowances Scheme 2012/13, including –**

- (a) freezing the allowances in the light of the current economic circumstances with no other changes to the existing scheme;**
- (b) agreeing the Mayoral and deputy mayoral allowances at the same rate as last year.**

(Councillor John Getgood requested that his vote against the Scheme be recorded.)

**195 PAY POLICY STATEMENT**  
Report CEO1194

Under the Localism Act 2011 the Council was required to publish a Pay Policy Statement, which had to be approved by full Council by 31<sup>st</sup> March 2012. The statement set out the Council's existing policy on the pay of its workforce, and in particular its senior staff and its lowest paid employees.

Councillor John Getgood queried the statement at paragraph 3.3 (iv) of the document that the Council was, "...seeking to localise its terms and conditions ...". It was confirmed that proposals were being discussed, but any change would require Member approval. The Committee agreed that the words "seeking to localise" should be replaced by "considering localising."

**RECOMMENDED that Council approves the Pay Policy Statement attached as Appendix A to the report, subject to changing the words "seeking to localise" to "considering localising" at paragraph 3.3 (iv).**

**196 RIGHTS OF WAY SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 1ST NOVEMBER 2011**

The Committee received the minutes of the meeting of the Rights of Way Sub-Committee held on 1<sup>st</sup> November 2011.

**197 PENSIONS INVESTMENT SUB-COMMITTEE: MINUTES OF THE MEETINGS HELD ON 9TH NOVEMBER 2011 AND 9TH FEBRUARY 2012, EXCLUDING EXEMPT INFORMATION**

The Committee received the minutes of the meetings of the Pensions Investment Sub-Committee held on 9<sup>th</sup> November 2011 and 9<sup>th</sup> February 2012 (excluding exempt information).

**198 INDUSTRIAL RELATIONS SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 22ND NOVEMBER 2011 (EXCLUDING EXEMPT INFORMATION)**

The Committee received the minutes of the meeting of the Industrial Relations Sub-Committee held on 22<sup>nd</sup> November 2011 (excluding exempt information).

**199 AUDIT SUB-COMMITTEE: MINUTES OF THE MEETING HELD ON 15TH DECEMBER 2011, EXCLUDING EXEMPT INFORMATION**

The Committee received the minutes of the meeting of the Audit Sub-Committee held on 15<sup>th</sup> December 2011 (excluding exempt information).

The Sub-Committee had drawn attention to one issue in particular, which was the Information Requests audit and proposals for dealing with Freedom of Information (Fol) requests. The Director of Resources had responded that the proposals were intended to improve the service by removing impediments to mainstreaming Fol work in the departments. Additional training was being carried out for departmental coordinators on the Fol computer system and an e-form was being introduced to ensure that requests were better directed. Members were concerned that capacity for coordinating requests and holding expertise centrally was being lost, and requested that information about the new processes be circulated.



Councillor Nicholas Bennett updated Members on significant issues that had been discussed at the Audit Sub-Committee's meeting on 8<sup>th</sup> March 2012, the previous week.

**200 APPEALS SUB-COMMITTEE: MINUTES OF THE MEETINGS HELD ON 25TH NOVEMBER 2011 AND 26TH JANUARY 2012, EXCLUDING EXEMPT INFORMATION**

The Committee received the minutes of the meetings of the Appeals Sub-Committee held on 25<sup>th</sup> November 2011 and 26<sup>th</sup> January 2012 (excluding exempt information).

**201 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000**

**RESOLVED** that the Press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

**The following summaries  
refer to matters  
involving exempt information**

**202 PENSIONS INVESTMENT SUB-COMMITTEE: EXEMPT MINUTES - 9TH NOVEMBER 2011 AND 9TH FEBRUARY 2012**

The Committee received the exempt minutes of the Pensions Investment Sub-Committee meetings on 9<sup>th</sup> November 2011 and 9<sup>th</sup> February 2012.

**203 INDUSTRIAL RELATIONS SUB-COMMITTEE: EXEMPT MINUTES - 22ND NOVEMBER 2011**

The Committee received the exempt minutes of the industrial Relations Sub-Committee meeting on 22<sup>nd</sup> November 2011.

**204 AUDIT SUB-COMMITTEE: EXEMPT MINUTES - 15TH DECEMBER 2011**

The Committee received the exempt minutes of the Audit Sub-Committee meeting on 15<sup>th</sup> December 2011.

**205 APPEALS SUB-COMMITTEE: EXEMPT MINUTES - 25TH NOVEMBER 2011 AND 26TH JANUARY 2012**

The Committee received the exempt minutes of the Sub-Committee meetings on 25<sup>th</sup> November 2011 and 26<sup>th</sup> January 2012.

*General Purposes and Licensing Committee*  
*14 March 2012*

The Meeting ended at 8.02 pm

Chairman

## GENERAL PURPOSES AND LICENSING COMMITTEE

Minutes of the meeting held on 16<sup>th</sup> May 2012

### Present:

Councillor Tony Owen (Chairman)  
Councillor Russell Mellor (Vice-Chairman)  
Councillors Nicholas Bennett JP, John Canvin,  
John Getgood, Julian Grainger, Will Harmer,  
Gordon Norrie, Ian Payne, Charles Rideout CVO QPM,  
Diane Smith, Tim Stevens JP and Pauline Tunncliffe

### 1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Roger Charsley and Roxhannah Fawthrop.

### 2 PROPORTIONALITY

**RESOLVED** that seats on the Sub-Committees of the General Purposes and Licensing Committee be allocated to political groups as follows:

Sub Committee	Size of Sub-Committee	Allocation		
		Conservative	Lib/Dem	Labour
Audit	7	6	1	0
Pensions Investment	7	7	0	0
Local Joint Committee	9	9	0	0
Industrial Relations	7	7	0	0
Rights of Way	7	7	0	0

### 3 APPOINTMENT OF SUB-COMMITTEES

**RESOLVED** that the following Sub-Committees be appointed for the ensuing Municipal Year, with membership as indicated:-

#### (i) AUDIT SUB-COMMITTEE

	Councillors
1	ADAMS
2	BENNETT (N)
3	BENNETT (R)
4	HARMER W
5	FAWTHROP (S)

6	REDDIN
7	WELLS

**(ii) PENSIONS INVESTMENT SUB-COMMITTEE**

	Councillors
1	GRAINGER
2	INCE
3	LYNCH
4	MELLOR
5	REDDIN
6	SCOATES
7	WELLS

**(iii) LOCAL JOINT COMMITTEE** (To include Leader or named deputy, Chairman of the Executive and Resources PDS Committee or named deputy and Chairman of the General Purposes and Licensing Committee or named deputy.)

	Councillors
1	BENNETT N
2	BOSSHARD
3	CARR
4	HUNTINGTON- THRESHER (W)
5	MELLOR
6	OWEN
7	SMITH (D)
8	
9	

**(iv) INDUSTRIAL RELATIONS SUB-COMMITTEE** (To include Leader, Deputy Leader, Chairman and Vice-Chairman of the General Purposes and Licensing Committee.)

	Councillors
1	BENNETT (N)
2	BOSSHARD
3	CARR
4	MELLOR
5	OWEN
6	SMITH (C)
7	TICKNER

**(v) RIGHTS OF WAY SUB-COMMITTEE**

	Councillors
1	AULD
2	S FAWTHROP

3	GRAINGER
4	NORRIE
5	SCOATES
6	STRANGER
7	WELLS

**4 APPOINTMENT OF CHAIRMEN AND VICE-CHAIRMEN**

**RESOLVED** that the following Councillors be appointed as Chairmen and Vice Chairmen of the Sub-Committees of the General Purposes and Licensing Committee for the 2008/9 Municipal Year. (The Chairman and Vice Chairman of the other Sub-Committees and the Local Joint Committee will be appointed at their first meetings).

**(a) Audit Sub-Committee**

Councillor Neil Reddin (Chairman)  
Councillor Simon Fawthrop (Vice Chairman)

**(b) Pensions Investment Sub Committee**

Councillor Paul Lynch (Chairman)  
Councillor Julian Grainger (Vice Chairman)

**5. APPOINTMENT OF APPEALS SUB-COMMITTEE**

**RESOLVED** that:

**(1) all Members of the Council, except Executive Members, be eligible for appointment to the Appeals Panel; and**

**(2) three Members be drawn as required, to constitute an Appeals Panel.**

**6. APPOINTMENT OF LICENSING SUB-COMMITTEE**

**RESOLVED** that:

**(1) all Members of the General Purposes and Licensing Committee be eligible for appointment to the Licensing Appeals Sub-Committee; and**

**(2) three Members be drawn as required, to constitute a Licensing Sub-Committee.**

*Chairman*

This page is left intentionally blank

# Agenda Item 6

Report No.  
RES 12071

London Borough of Bromley

PART 1 - PUBLIC

---

**Decision Maker:** General Purposes and Licensing Committee

**Date:** 29 May 2012

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** LICENSING SUB-COMMITTEE: SCHEDULE OF MEETINGS

**Contact Officer:** Lisa Thornley, Democratic Services  
Tel: 020 8461 7566 E-mail: lisa.thornley@bromley.gov.uk

**Chief Officer:** Mark Bowen, Director of Resources

**Ward:** N/A

---

1. Reason for report

The Committee is requested to consider the proposed schedule of meetings of the Licensing Sub-Committee for the period June to December 2012 (attached as Appendix 1).

---

2. **RECOMMENDATION**

**Subject to amendments, the schedule of meetings of the Licensing Sub-Committee for June to December 2012 be approved.**

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Safer Bromley.
- 

### Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Democratic Services
  4. Total current budget for this head: £344,054 (2012/13)
  5. Source of funding: Existing budgets
- 

### Staff

1. Number of staff (current and additional): There are 8 posts (7.22fte) in the Democratic Services Team.
  2. If from existing staff resources, number of staff hours: Preparing the Licensing Sub-Committee rota takes a few hours of staff time every six months.
- 

### Legal

1. Legal Requirement: Statutory requirement. Licensing Act 2003
  2. Call-in: Call-in is not applicable. This report does not involve an executive decision.
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A



### 3. COMMENTARY

- 3.1 Twice a year the Committee receives a schedule of Licensing Sub-Committee meetings. The schedule for the period June-December 2012 is attached for consideration.
- 3.2 In accordance with the Licensing Act 2003, only Members of this Committee may serve on meetings of the Licensing Sub-Committee or act as substitutes thereon. Whilst proportionality is not required under the above Act, since the inception of these arrangements and in keeping with the Committee's wishes, it has been applied where practicable. Licensing Sub-Committees are currently scheduled on the basis of two Majority Group Members and one Minority Group Member for each meeting, but with a roughly equal workload for all Members. The continuation of this arrangement was agreed by the Committee on 8<sup>th</sup> April 2009 (Minute 116) but on the basis that officers should not be required to maintain this balance in seeking to fill vacancies due to the unavailability of scheduled Members.
- 3.3 All meetings are to be held during the day; the morning session starting at 10 am and the afternoon session at 2 pm with pre-meetings at 9.45 am and 1.45 pm respectively. All dates set out in the schedule cover both sessions although it is anticipated that there will be occasions when the afternoon session will not be required. In line with the existing arrangements, members are asked to notify staff in the Democratic Services Team as soon as possible of meetings of the Sub-Committee where they are unable to attend as allocated.

<b>Non-Applicable Sections:</b>	Policy, Financial, Legal and Personnel implications
Background Documents: (Access via Contact Officer)	Access via Contact Officer

This page is left intentionally blank

**LICENSING SUB-COMMITTEE****Schedule of Meetings: June to December 2012**

<b>Date of Meeting</b>	<b>Membership</b> (can be any member of the GP&L Committee)
Tuesday 12 June	Councillors Roxhannah Fawthrop, Charles Rideout and Julian Grainger
Wednesday 27 June	Councillors Nicholas Bennett JP, Gordon Norrie and Tim Stevens
Thursday 12 July	Councillors Tony Owen, Diane Smith and Ian Payne
Friday 27 July	Councillors Russell Mellor, John Getgood and Julian Grainger
Friday 10 August	Councillors John Canvin, Will Harmer and Gordon Norrie
Tuesday 28 August	Councillors John Getgood, Tim Stevens and Pauline Tunncliffe
Friday 14 September	Councillors Nicholas Bennett JP, Roger Charsley and Ian Payne
Thursday 27 September	Councillors Will Harmer, Russell Mellor and Diane Smith
Friday 12 October	Councillors Roxhannah Fawthrop, Tony Owen and Charles Rideout
Monday 29 October	Councillors Ian Payne, Pauline Tunncliffe and Julian Grainger
Tuesday 13 November	Councillors <i>Nicholas Bennett JP*</i> , John Canvin and Gordon Norrie
Wednesday 28 November	Councillors Russell Mellor, Diane Smith and Tim Stevens
Thursday 13 December	Councillors Roger Charsley, John Getgood and Will Harmer

All meetings start at 10 am and 2 pm on each date. Afternoon meetings will be cancelled if necessary.

\* *Possible replacement needed*

This page is left intentionally blank

# Agenda Item 7

Report No.  
RES12086

London Borough of Bromley

PART 1 - PUBLIC

---

**Decision Maker:** General Purposes and Licensing Committee

**Date:** 29<sup>th</sup> May 2012

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** **APPOINTMENT OF COUNCIL REPRESENTATIVES TO  
OUTSIDE BODIES AND PARTNERSHIPS 2012/13**

**Contact Officer:** Graham Walton, Democratic Services Manager  
Tel: 020 8461 7743 E-mail: graham.walton@bromley.gov.uk

**Chief Officer:** Mark Bowen, Director of Resources

**Ward:** N/A

---

1. Reason for report

- 1.1 This report requests the Committee to agree the appointment of Council representatives to serve on Outside Bodies and Partnership Bodies in respect of (a) annual appointments for 2012/13, (b) three-year term appointments, and (c) four-year term appointments co-terminus with the period of the Council.
- 1.2 Subject to any further nominations being received, there are no appointments where there are more nominees than places.

---

2. **RECOMMENDATION(S)**

**The Committee is invited (i) to consider the nominations received, and (ii) to appoint Council representatives to serve on the various outside bodies and partnership organisations as indicated in Appendix 1.**

### Corporate Policy

1. Policy Status: N/A.
  2. BBB Priority: Excellent Council.
- 

### Financial

1. Cost of proposal: No cost
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: Democratic Services
  4. Total current budget for this head: £344,054 (2011/12)
  5. Source of funding: Revenue Budget
- 

### Staff

1. Number of staff (current and additional): There are 8 staff (7.22 FTE) in the Democratic Services Team
  2. If from existing staff resources, number of staff hours: Liaison with outside bodies about Council appointments forms a small proportion of one post within the Democratic Services Team.
- 

### Legal

1. Legal Requirement: No statutory requirement or Government guidance.
  2. Call-in: Call-in is not applicable. This report does not involve an executive decision
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
- 

### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

- 3.1 The Committee is asked to make its annual appointments on behalf of the Council to various outside bodies and partnership bodies on which Council representatives are required to serve in 2012/13. The report also covers a small number of three and four year appointments. Details of the nominations are set out in **Appendix 1**. Any further nominations over and above those recorded in Appendix 1 will be tabled at the Committee Meeting. Unless any further nominations are received, there are no appointments where there are more nominees than places.
- 3.2 The Committee is requested to note the following changes to appointments since last year –
- London Councils: A number of the London Councils Forums have ceased, although they have requested submission of details for “lead members” in these areas.
  - Proactive Bromley: A new appointment is proposed to Proactive Bromley.
  - Bromley College of Further and Higher Education: A new appointment is proposed to the College’s governing body (this was considered by Renewal and Recreation PDS Committee at their meeting on 27<sup>th</sup> March, 2012, who nominated Councillor Julian Benington.)
- 3.3 At the time of writing, the following vacancies are not covered by these nominations –
- Orpington Town Centre Steering Group: Three nominations have been received (Councillors William Huntington-Thresher, John Ince and Peter Morgan). In previous years, four members have been appointed.
  - William Mosyer Charity, St Mary Cray: In May 2010, the Committee appointed Councillor Peter Fortune, Honorary Alderman John Holbrook and Mr Malcolm Brown for the four year period to May 2014. Mr Brown and Mr Holbrook have recently resigned, creating two vacancies. Mr Graham Collins has been nominated to one of the positions, but one further nomination is required.

<b>Non-Applicable Sections:</b>	Finance/policy/Legal/Personnel
Background Documents: (Access via Contact Officer)	2011/12 Outside Bodies Report

This page is left intentionally blank



**LONDON BOROUGH OF BROMLEY  
APPOINTMENTS TO OUTSIDE BODIES  
AND PARTNERSHIP BODIES 2012/13**

**(a) Annual Appointments for 2012/132**

**(i) London Councils' Appointments**

**Leaders' Committee (S.101 Joint Committee)**

Councillor Stephen Carr (representative)

Councillor Colin Smith (deputy)

**Transport and Environment Committee (Associated S.101 Joint Committee)**

Councillor Colin Smith (representative)

Councillors William Huntington-Thresher (deputy 1) and Peter Fortune (deputy 2)

**Grants Committee (Associated Joint Committee)**

Councillor Stephen Carr (representative)

Councillors Robert Evans (deputy 1), Judi Ellis (deputy 2) and Diane Smith (deputy 3)

**Greater London Employment Forum**

Councillors Tony Owen (representative)

Councillor Colin Smith (deputy)

**Lead Members**

Children & Young People: Councillor Stephen Wells

Crime and Public Protection: Councillor Tim Stevens

Culture, Tourism and London 2012: Councillor Peter Morgan

Economic Development: Councillor Peter Morgan

Health and Adult Services: Councillor Graham Arthur (public health) and Councillor Robert Evans (adult services)

Housing: Councillor Robert Evans (operations) & Councillor Peter Morgan (strategic planning)

(ii) **Partnership Appointments**

**Safer Bromley Partnership Strategic Group**

Councillor Tim Stevens (representative)

Councillors Reg Adams and Julian Benington (non-voting members).

**Children & Young People Partnership Board**

Councillors Robert Evans and Stephen Wells

**Economic Partnership**

Councillor Peter Morgan

**Health, Social Care and Housing Partnership Board**

Councillors Robert Evans and Judi Ellis.

Councillor Diane Smith (deputy).

**Mental Health Joint Board**

Councillor Diane Smith (representative)

Councillor Robert Evans (deputy).

(iii) **Care Services Appointments**

**Age Concern (Greater London)**

Councillor Judi Ellis

**Community Links Bromley**

Councillors Judi Ellis and Tony Owen

(iv) **Education Appointments**

**Management Committee of Wood Lodge Living Skills Centre**

Councillor Kate Lymer

**Bromley “Y” Project**

Councillors Nicky Dykes and David Hastings.

**Mentoring Steering Group**

Councillor Tim Stevens

**Management Committee for Pupil Referral Service**

Councillors Robert Evans and Stephen Wells

**Early Years Development & Child Care Partnership**

Councillor Lydia Buttinger

(v) **Environment Appointments**

**Green Chain Joint Committee**

Councillors William Huntington-Thresher and Colin Smith

**London Road Safety Council**

Councillor William Huntington-Thresher

**Southern Regional Flood Defence Committee**

Councillor Colin Tandy (LB Bexley)

(vi) **Renewal and Recreation Appointments**

**Bromley Arts Council**

Councillors Reg Adams, Peter Fortune, Peter Fortune and Alexa Michael

**Bromley College of Further and Higher Education Governing Body**

Councillor Julian Benington

**The Crystal Palace Community Development Trust**

Councillor John Carvin

**Greater London Enterprise**

Councillor Peter Morgan

**London Youth Games**

Councillor Mrs Catherine Rideout

**Orpington Town Centre Steering Group**

Councillors William Huntington-Thresher, John Ince and Peter Morgan

*(1 vacancy)*

**Proactive Bromley**

Councillor Paul Lynch

(vii) **General Appointments**

**Biggin Hill Airport Consultative Committee**

*One representative of the Council and freeholder –*

Councillors Alexa Michael (representative) and Eric Bosshard (deputy)

*One representative of Biggin Hill Ward –*

Councillors Gordon Norrie (representative) and Julian Benington (deputy)

*One representative of Darwin Ward –*

Councillors Richard Scoates (representative) and Harry Stranger (deputy)

**Bromley Town Twinning Association**

Councillors Ruth Bennett and Jane Beckley

**Affinity Sutton Group – London Regional Scrutiny Group**  
*(formerly Broomleigh Housing Association)*

Councillor Paul Lynch

**Bromley Healthcare Council of Governors**

Councillor Diane Smith

**(b) Three and four Year Appointments**

**Oxleas NHS Trust – Council of Governors** *(3 years to May 2015)*

Councillor Michael Turner

**Phillips and Lubbock Foundations** *(3 years to 31<sup>st</sup> May 2014)*

Councillor Charles Joel (to fill the vacancy following the death of Mrs K B Freeman)

**William Mosyer Charity, St Mary Cray** *(4 years to May 2014)*

Mr Graham Collins (to fill one of two vacancies following the resignations of Honorary Alderman John Holbrook and Mr Malcolm Brown – one further nomination required.)

## AUDIT SUB-COMMITTEE

Minutes of the meeting held at 7.30pm on 8 March 2012

### Present:

Councillor Neil Reddin FCCA (Chairman)  
Councillor Simon Fawthrop (Vice-Chairman)  
Councillors Nicholas Bennett J.P., Ruth Bennett and  
Stephen Wells

### 81 MR MARK GIBSON

Mr Mark Gibson, formerly the Council's Chief Internal Auditor, had now left the Council, and the Chairman requested that the Sub-Committee's thanks for his services to the borough be placed on record.

### 82 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillor Reg Adams.

### 83 DECLARATIONS OF INTEREST

Councillor Neil Reddin declared a personal interest as he had a child at Warren Road Primary School and his wife was a governor at Hayes Primary School.

During consideration of the Internal Audit Progress Report Councillor Ruth Bennett declared a personal interest as a governor of Princes Plain Primary School and Councillor Simon Fawthrop declared a personal interest as his daughter attended Newstead Wood School.

### 84 QUESTIONS BY MEMBERS OF THE PUBLIC ATTENDING THE MEETING

No questions had been received.

### 85 CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 15TH DECEMBER 2011 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION

**RESOLVED** that the minutes of the meeting held on 15<sup>th</sup> December 2011 (excluding those containing exempt information) be confirmed.

### 86 MATTERS OUTSTANDING FROM THE LAST MEETING Report RES11043

The Sub-Committee noted the list of matters outstanding from previous meetings – most issues were covered in other reports on the agenda.

## **87 EXTERNAL AUDIT REPORTS**

The Chairman welcomed Katy Elstrup, Engagement Senior Manager, PricewaterhouseCoopers, to the meeting.

### **87.1 EXTERNAL AUDIT: CERTIFICATION REPORT 2010/11**

The Sub-Committee received the 2010/11 Certification Report from PricewaterhouseCoopers (PWC). The report summarised Certification work on the Council's claims and returns, as required by the Audit Commission. Five claims had been certified, with only one qualification needed. This related to a single housing benefit overpayment; further sampling had been carried out but no other problems had been found.

### **87.2 EXTERNAL AUDIT: ANNUAL AUDIT PLAN 2011/12**

The Sub-Committee considered the External Audit Plan for 2011/12. The Plan identified the key audit risks for the Council of fraud, recognition of income and expenditure and property valuation and set out the proposed auditing approach. The report also covered the audit fees; these had reduced by about £30,000 for 2011/12, and were expected to reduce further in future years.

The Chairman confirmed that preventing fraud was a major priority for Councillors. The Audit Sub-Committee provided oversight and support for fraud investigations and preventative work, risk registers were maintained, Financial Regulations were kept under review, there was mandatory training for managers on fraud and contracts procedures, and the Chairman, Vice-Chairman and other Members were briefed regularly. The Raising Concerns whistle-blowing procedure was a crucial means for staff to identify concerns; the Vice-Chairman suggested that more publicity should be given to the potential for whistleblowers to share their information direct to Councillors if they did not wish to use the formal channels.

Areas of particular concern to Members were fraud relating to blue badges, single person discounts and student exemptions, and areas where democratic oversight was limited, such as schools. Within the Council organisation, the risk seemed to be less about fraud than officers making poor decisions and failing to achieve projected savings. Members reminded Ms Elstrup that they had sought a value for money (VFM) element to external audit work, and enquired whether benchmarking against other authorities could be included.

## **88 INTERNAL AUDIT PROGRESS REPORT** Report CEO1192

The Sub-Committee considered a summary of recent internal audit activity across the Council and matters arising from the last meeting. The following matters were considered in particular -

- **Audit Activity and Performance** - The new Internal Audit structure of one Head of Audit, two auditors working on sold services to Greenwich and to Academies and four auditors doing Council work would be in place for 1<sup>st</sup> April. Members took the view that the new Internal Audit arrangements should be allowed to settle in before any further major changes in planned workload were considered. The Head of Audit offered to circulate further details of audit activity to members via email.
- **The Future of Public Audit** - Members were concerned that the proposed new arrangements for appointing external auditors would lead to an additional layer of bureaucracy.
- **Property Charges** - The Head of Audit reported that he had checked the arrangements for deferred payment agreements where a charge was placed against a property, and the system appeared to be sound.

It was noted that the “Auditor of the Year” award would continue.

**RESOLVED that the Internal Audit Progress Report be noted, and in particular the achievements of the counter fraud partnership with the London Borough of Greenwich and the effects of the reorganisation of the Internal Audit Service.**

(During consideration of this report Councillor Ruth Bennett declared a personal interest as a governor of Princes Plain Primary School and Councillor Simon Fawthrop declared a personal interest as his daughter attended Newstead Wood School.)

**89 INTERNAL AUDIT PLAN 2012/13**  
Report CEO1191

The Sub-Committee received the Internal Audit Plan for 2012/13; this involved a significant reduction in planned audit activity proposed for the year. Members questioned whether sufficient resources could be provided if the need arose to carry out emergency investigations - the Chief Executive had given assurances that additional capacity could be bought in if necessary.

**RESOLVED that the Internal Audit Plan for 2012/13 be noted.**

**90 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE  
LOCAL GOVERNMENT (ACCESS TO INFORMATION)  
(VARIATION) ORDER 2006 AND THE FREEDOM OF  
INFORMATION ACT 2000**

**RESOLVED that the Press and public be excluded during consideration of the items of business referred to below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.**

**The following summaries  
refer to matters  
involving exempt information**

**91 EXEMPT MINUTES OF THE MEETING HELD ON 15TH  
DECEMBER 2011**

The exempt minutes of the meeting held on 15<sup>th</sup> December 2011 were confirmed.

**92 INTERNAL AUDIT FRAUD AND INVESTIGATION PROGRESS  
REPORT**  
Report CE01193

The Sub-Committee considered a report updating them on recent Internal Audit activity on investigations and anti-fraud activity. The report summarised cases of particular interest, covered new areas of investigation and updated Members on the results of the National Fraud Initiative (NFI).

The Meeting ended at 10.16 pm

Chairman



## LOCAL JOINT CONSULTATIVE COMMITTEE

Minutes of the meeting held at 6.30 pm on 22 March 2012

### Present

#### Employer's Side

Councillor Russell Mellor (Chairman)  
Councillor Nicholas Bennett J.P.  
Councillor Eric Bosshard  
Councillor Stephen Carr  
Councillor Michael Turner

#### Staff Side and Departmental Representatives

Kathy Smith (Unite) (Vice-Chairman)  
Richard Harries (Unite)  
Glenn Kelly, Staff Side Secretary  
Max Winters, Children and Young People Services

### **41 APOLOGIES FOR ABSENCE AND NOTIFICATION OF ALTERNATE MEMBERS**

Apologies were received from Councillors Tony Owen, Colin Smith and Diane Smith. Councillor Mrs Anne Manning attended as alternate for Councillor Colin Smith.

When agreeing minutes of the previous meeting, it was advised that Mr Adam Jenkins represented Unite and not Unison (as recorded on the meeting agenda). Apologies for absence were provided for Mr Jenkins and Mr Richard Harries representing Unite attended as alternate.

### **42 DECLARATIONS OF INTEREST**

There were no declarations.

### **43 MINUTES FROM THE PREVIOUS MEETING OF THE LOCAL JOINT CONSULTATIVE COMMITTEE HELD ON 21ST SEPTEMBER 2011**

The minutes were agreed subject to Mr Adam Jenkins being recorded as a Member of Unite rather than Unison.

### **44 STAFF SIDE ITEMS FOR CONSIDERATION**

#### **A) COUNCIL PROPOSAL TO OPT OUT OF NATIONAL TERMS AND CONDITIONS**

For this item, copies of power point presentation slides were provided with the agenda.

The Staff Side Secretary referred to anxiety amongst staff concerning the proposal to withdraw from national terms and conditions; there was staff suspicion on the proposal at a time of cuts, redundancies and a pay freeze. He considered that a 1<sup>st</sup> April pay award date and any backdating could be possible under local conditions and this could not, he felt, be a reason to withdraw from national conditions. Instead he was concerned that a 1<sup>st</sup> April pay award date would be imposed under local conditions along with a pay award.

Under national conditions, the Staff Side Secretary indicated that LBB can already pay over and above the grade to recruit and retain. He also indicated that local pay and conditions are not necessary for single status. Additionally, under national arrangements there was nothing to prevent the Council granting more leave or remuneration. It was necessary to ask why the Council should have local pay and conditions. The previous day's national Budget included reference to public sector regional pay bargaining and he asked why the matter could not be left within the remit of Government.

If it was intended to proceed with the proposal, the Staff Side Secretary warned that agreement would not be obtained and there would be large scale industrial action. If there were no real proposals to change and if flexibility was already available in national arrangements, he advocated withdrawing the proposal now rather than waste time and to avoid industrial action.

In response, the Assistant Chief Executive referred to coming out of the national framework on a status quo basis. The concept (of local terms and conditions) had been built on the basis that national arrangements for Bromley do not reflect local circumstances and the desire to realign employment frameworks. With reference to the budget (and references to regional pay bargaining) it was possible to see that the national arrangement could not go forward; the national framework had not given flexibility. The Assistant Chief Executive enquired of what staff were worried about concerning terms and other matters. The logic behind the proposal was that the Council could better align decision processes with financial arrangements; it was having the flexibility particularly to reward on a local basis better than was currently possible. Management was prepared to negotiate with Trade Unions and the Council was not taking the proposal forward with a desire to reduce terms of conditions – the Council would always remain competitive in the local market.

The Vice-Chairman felt that there was nothing outlined by the Assistant Chief Executive which gave a reason for taking the proposal forward. There was already flexibility under national terms and conditions, unless there were proposals to reduce current provision. It was necessary for the Assistant Chief Executive to explain why this was being undertaken. She enquired of the reasons for wanting to opt out of national arrangements if there was no intention of lowering current provision. This was causing major problems and she could not understand why such action to staff was being considered at this time. Mr Richard Harries enquired of what it was that management had not obtained from national arrangements and negotiations that was wanted.

The Assistant Chief Executive referred to the annual pay award process. There were some parts of national terms and conditions that needed to be brought up to date; the process was so protracted. It was necessary to make changes for the future and the Council needed to be in a position where its terms and conditions could change. National finances could change and it was necessary for employers to respond.

Councillor Stephen Carr referred to a culture change and a need for the Council to be master of its own destiny. He also referred to rewarding flexibility and singling out for rewarding, indicating that there would be no reductions for what people were earning in or out of national terms and conditions. He added that there was nothing sinister in the proposal. Councillor Nicholas Bennett indicated that there would not be national pay bargaining at Bromley if the Council were starting again. It was not proposed to cut away what staff had at the moment. But there was a desire for Bromley to be master of its own house and destiny. Councillor Bennett indicated that it should be the Council negotiating with its staff and that this should not be taken away by national arrangements. Councillor Michael Turner highlighted that the former London County Council was not part of national terms and conditions. He felt that a local authority as an employer should be completely in charge of its terms and conditions of employment. Councillor Eric Bosshard also referred to the Localism Act and highlighted that flexibility is needed.

The Staff Side Secretary suggested that it would be difficult for the Council to be in control of its future destiny as so much emanates from central government. He suggested that workers felt more security and less vulnerability with national arrangements.

Where there was no additional funding, the Staff Side Secretary suggested that the only way to pay a worker more was to take away from others e.g. one receives performance pay and others do not. In any consultation with staff he suggested there was no evidence that opting out of national terms and conditions would be supported.

Councillor Carr referred to the achievement of savings with approaches such as efficiency; savings had been imaginatively achieved to protect front line services.

The Chairman referred to the staff side in previous years requesting greater flexibility and it was flexibility that was now being offered, however, the Staff Side Secretary felt that the only conclusion his side could draw was that the employers wanted to go below the minimum. The Chairman referred to the Council wanting to obtain the best people and to reward accordingly.

In conclusion, it was explained that the proposal would be discussed again when it came up for consultation.

## **B) CHRISTMAS/NEW YEAR HOLIDAY 2012/13**

The Staff Side raised their objection to a proposed enforcement of leave in the 2012 Christmas/New Year Holiday period. The date had been highlighted on the agenda as 30<sup>th</sup> December 2012 but as this was a Sunday it should have referred to Monday 31<sup>st</sup> December 2012.

The Staff Side Secretary objected to the date being imposed on staff. He felt that it was unnecessary and would not save on heating costs. He asked that staff be given the choice of day to take as leave.

The Assistant Chief Executive explained that 31<sup>st</sup> December was not dissimilar to 24<sup>th</sup> December and there had been no argument from the staff side about Council offices closing on 24<sup>th</sup> December. Organisations needed to be efficient and business like. A range of leave flexibility had been provided for staff on 31<sup>st</sup> December i.e. annual leave, time off in lieu etc. The proposals were also being suggested nine months in advance. The same arguments that apply for 24<sup>th</sup> December also apply to 31<sup>st</sup> December, except that the former is the discretionary concessionary leave. All essential services would remain open on 24<sup>th</sup> and 31<sup>st</sup> December.

Referring to private sector practice where companies could often close between Christmas and the New Year, Councillor Bennett was unsupportive of opening a building for one day and for it to then be closed again the next.

As a reward for staff, the Vice-Chairman suggested that one day additional leave be given for closing on 31<sup>st</sup> December. She suggested that this would be an example of showing goodwill to staff. Mr Harries supported this approach.

The Chairman advised that LJCC was a consultative Committee and as such did not possess the powers to decide on such matters. The Staff Side Secretary suggested that the initiative was a practice change for which there was no evidence base and he felt that it was unnecessary.

## **C) ATTENDANCE AT DEPARTMENTAL TRADE UNION DEP REPS MEETINGS**

It was agreed that discussion on this item was no longer necessary as the matter had been satisfactorily settled.

## **D) COUNCIL PROPOSAL TO INTRODUCE CAR PARK CHARGING**

The Assistant Chief Executive encouraged the Staff Side Secretary and others to respond to a forthcoming consultation on the introduction of car parking charges for staff.

**E) COUNCIL POLICY AS TO THE USE OF VOLUNTEERS**

This item was deferred to the Committee's next meeting as no prior briefing on the matter had been provided from the staff side.

**45 DATE OF NEXT MEETING**

The Committee's next meeting would be held on Thursday 12<sup>th</sup> July 2012.

The Meeting ended at 7.40 pm

Chairman

This page is left intentionally blank

## **PENSIONS INVESTMENT SUB-COMMITTEE**

Minutes of the meeting held at 7.30 pm on 8 May 2012

### **Present**

Councillor Paul Lynch (Chairman)  
Councillor Richard Scoates (Vice-Chairman)  
Councillors Eric Bosshard, Julian Grainger, Russell Mellor and  
Neil Reddin

### **Also Present**

Mr Alick Stevenson, Allenbridge Epic Investment Advisers

### **32 APOLOGIES FOR ABSENCE AND NOTIFICATION OF ALTERNATE MEMBERS**

Apologies were received from Councillor Russell Jackson.

### **33 DECLARATIONS OF INTEREST**

Members present declared a personal interest as members of the Bromley Local Government Pension Scheme.

### **34 CONFIRMATION OF MINUTES OF THE MEETING HELD ON 9TH FEBRUARY 2012 EXCLUDING THOSE CONTAINING EXEMPT INFORMATION**

The minutes were agreed.

### **35 MATTERS OUTSTANDING FROM PREVIOUS MEETINGS**

The Finance Director gave an oral update as summarised below.

EU Pensions Directive – Members were briefed on aspects of a proposed European Commission Directive on Pensions to be available late 2012. The proposed Directive was concerned with the valuation of a pension fund and its future liabilities which could significantly increase the expected cost of pension schemes resulting in a higher employer contribution. It was not possible to confirm that the Directive would apply to Local Government Pension Funds; however a number of private sector companies were concerned about the Directive and its implications.

Auto enrolment - The Council would be required to implement “auto enrolment” from March 2013. If an individual were to opt out of the scheme, it would be necessary for an employer to issue reminders to the employee to consider rejoining the scheme. There might be costs associated with an increased take up of the pension scheme. Further information was requested on the proportion of staff who had currently opted out of the scheme.

London Mutual Pension Fund – The London Pension Fund Authority (LPFA) had suggested a new London wide fund for infrastructure investment for the future as well as combining the individual Councils’ pension funds into a London Wide fund. However, there was concern about cross subsidisation and more information was required to provide assurances on future returns with the full evaluation of the benefits/disbenefits awaited. There would be significant issues in implementing such changes. A final view on the London Fund had not been concluded at this stage. Mr Stevenson indicated that it was unlikely the proposal would be implemented unless Government were to take all funds on a “pay as you go” basis and provide a guarantee. There were a number of high hurdles. Each fund had a distinct liability and it was unlikely that rich funds would subsidise poorer funds. Councillor Eric Bosshard was concerned that Bromley Council Tax Payers would have to contribute to making up any fund shortfall. Councillor Julian Grainger felt that there would be so many different liability funds involved and the overall fund would be too large. He also highlighted concerns related to political considerations - there was a risk the fund could become a political matter if one party were to dominate a large deficit.

Government proposals for the Local Government Pension Scheme (LGPS) – there had been no further development on the detail of proposed legislation, compared with the previous update to the Committee; a full awaited consultation on proposals was necessary to enable legislative changes to be implemented in early 2013/14.

**RESOLVED that the Director’s verbal update be noted.**

**36 QUESTIONS FROM MEMBERS OF THE PUBLIC AND COUNCILLORS ATTENDING THE MEETING**

There were no questions.

**37 PENSION FUND PERFORMANCE Q4 2011/12**

**Report RES12073**

Summary details were provided of the investment performance of Bromley’s Pension Fund for the 2011/12 financial year along with general financial and membership information on the Fund and summarised information on early retirements. Further detail on investment performance was provided by the Fund’s external advisers, AllenbridgeEpic, and appended to Report RES12073. The fund managers had also provided a brief commentary on



recent developments in financial markets, their impact on the Council's Fund and the future outlook.

The market value of the Fund rose during the March quarter to £499.5m (£462.1m as at 31st December 2011) although at 17th April 2012, the fund value had fallen to £494.5m.

Returns for both managers were ahead of benchmark in the March quarter, Baillie Gifford's return of 9.1% (2.2% above benchmark) comparing favourably with Fidelity's return of 7.5% (1.2% above).

Returns for the first three quarters of the year (to December 2011) were negative (-4.5% for both managers), but positive returns in the final quarter enabled Baillie Gifford to return 2.9% over the whole year (1.9% above benchmark), while Fidelity returned 1.4% over the whole year (1.5% below benchmark). The Fund's medium and long-term returns remained strong.

In comparing returns of the fund managers over 3, 5 and 10 years to 31<sup>st</sup> March 2012, Baillie Gifford's returns (19.9%, 7.0% and 7.3% respectively) compared favourably with those of Fidelity (16.6%, 6.2% and 6.7% respectively).

The Sub Committee's Independent Adviser, Mr Alick Stevenson, provided views on the Fund's performance during the last quarter. He outlined recent political developments in France and Greece and highlighted that the Euro was at its weakest level for three years. There were an increased number of jobs in the US but this was not quick enough for the market. Mr Stevenson highlighted that the fund had out performed against benchmark for the last quarter by 1.8% and over a three year period it had out performed against benchmark by 2.5%. Reference was also made to a strong performance from Baillie Gifford. Fidelity had provided a good performance for the last quarter but for the 12 month period, the fund had underperformed against benchmark by 1.5%. On an annualised basis over the last three years, Fidelity had outperformed its benchmark by 0.8% p.a. However, when measured against the benchmark plus the out performance target of 1.9% p.a., Fidelity had underperformed by 1.1% p.a. over the rolling three year period.

Mr Stevenson also highlighted that for Fidelity's Instl Europe (Ex UK) Fund, the Portfolio Manager had taken a small overweight position in the last quarter and had a significant amount at 13.8% invested in the UK. Mr Stevenson noted that the Manager had not commented on this in her Portfolio Review and he had asked for a copy of the Fund Prospectus to establish the extent to which Fidelity were allowed to go outside of benchmark.

In discussion, and with reference to Appendix 2 of Report RES12073, the Director highlighted an example where there had been more significant movement in UK equities between the benchmark and actual for Baillie Gifford compared with Fidelity. Mr Stevenson referred to Fidelity hugging the benchmark on all of their asset classes. Although the structures set for Fidelity had been constrained, Mr Stevenson indicated that the company had not come back to propose changing the structures/benchmark.

In considering the Pension Fund Revenue Account (Appendix 6 to Report RES12073), Councillor Bosshard felt that the level of employer contributions to the Fund was proportionately much higher than the level contributed by employees. The Finance Director referred to the proposed changes for the LGPS from April 2014 which would result in increased employee contributions. Some changes to the scheme benefits would also impact on liabilities so reducing employer contributions. There would also be an overall “capping” of employee contributions to control costs.

Mr Stevenson also briefly outlined changes to the corporate structure of the Allenbridge Group. In so doing, Mr Stevenson highlighted that Allenbridge Investment Advisers remained unchanged – there were no documentary changes and he would continue to advise.

**RESOLVED that the report be noted.**

## **38 PENSION FUND INVESTMENT STRATEGY REVIEW**

### **Report RES12075**

Following agreement at the Sub Committee’s previous meeting to a future investment strategy for the fund, approval was sought on detailed arrangements to implement the strategy. Further information was also provided on active versus passive management. Mr Alick Stevenson referred to the benefits of having a 70% active allocation to global equities.

The 80%/20% split between growth seeking and protection assets would be maintained but the growth element would comprise a 10% investment in Diversified Growth Funds (DGFs) and a 70% allocation to global equities. The latter would involve elimination of the current regional weightings so providing new managers with greater flexibility to take advantage of opportunities in the world’s stock markets to help improve long-term returns. Barnett Waddingham had proposed that the global equities allocation be divided between a passive mandate (30%) and an unconstrained (active) mandate (40%).

External advice around the procurement process for the three portfolios of DGFs(10%), Global Equities (70%) and Corporate Bonds/Gilts (20%) would fall outside of AllenbridgeEpic’s responsibilities under the current agreement. It was therefore recommended that specialist procurement advisors be appointed through a mini-tendering exercise to assist in the evaluation and selection process.

In discussion it was agreed to support Recommendation 2.1 that the Global Equities allocation in the new strategy be actively managed and that reporting thresholds be agreed when the Fund/Strategy Managers are appointed.

In considering the proposed timetable for implementing the new strategy at Recommendation 2.2, Members were advised that there was no reason why Phase 3 (Corporate Bonds and Gilts) could not start toward the end of Phase

2. It was broadly agreed to support Recommendation 2.2 and the implementation timetable but with flexibility to incorporate the overlapping of Phases 1 and 2 and Phases 2 and 3 with officers coming back to Members on proposals for this.

For consideration of Recommendation 2.3, seeking approval to hold mini-tendering exercises for specialist procurement advice for Phases 1 to 3, Mr Stevenson left the room. In discussion, reference was made to the importance of performance by persons such as individual managers within a fund management organisation. Within any future contract for fund managers, it was suggested there be reference to the replacing of a highly performing individual with a person of equivalent ability. It was also suggested that the database used by a potential adviser should be the most important consideration for appointment. It was also felt that a weighting of 5 given to this in the draft specification for procurement advice for DGFs (Appendix 1 to Report RES12075) was a little low.

It was agreed to consider Recommendation 2.4 within Part 2 proceedings of the meeting.

**RESOLVED that the report be noted and:**

**(1) the Global Equities allocation in the new strategy be actively managed (paragraphs 3.3 to 3.7 of Report RES12075) with reporting thresholds agreed when the Fund/Strategy Managers are appointed;**

**(2) tendering exercises be carried out for a) a Diversified Growth Fund (DGF) (Phase 1), b) two or more global equities managers (Phase 2) and c) two corporate bond/gilt managers (Phase 3) in line with the draft implementation timetable (paragraph 3.18 of Report RES12075) which should be sufficiently flexible to incorporate overlapping of Phases 1 and 2 and Phases 2 and 3 with officers coming back on proposals for this; and**

**(3) mini-tendering exercises for specialist procurement advice for all three phases be approved and that approval of adviser(s) be delegated to the Chairman and Finance Director.**

## **39 PENSION FUND - 2011/12 AUDIT PLAN**

### **Report RES12074**

Members were provided with the Pension Fund Audit Plan for 2011/12.

**RESOLVED that the Pension Fund Audit Plan for 2011/12 be noted.**

**40 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE  
LOCAL GOVERNMENT (ACCESS TO INFORMATION)  
(VARIATION) ORDER 2006 AND FREEDOM OF INFORMATION  
ACT 2000**

**41 CONFIRMATION OF EXEMPT MINUTES - 9TH FEBRUARY  
2012**

The Part 2 minutes were agreed.

**42 PENSION FUND - INVESTMENT REPORT**

Quarterly reports (to 31<sup>st</sup> March 2012) from Baillie Gifford and Fidelity had been circulated prior to the meeting and representatives from Baillie Gifford attended the meeting to present their investment report and answer questions.

**43 PENSION FUND INVESTMENT STRATEGY REVIEW**

**Report RES12075**

Members considered Recommendation 2.4 of Report RES12075 concerned with how the 10% allocation to the Diversified Growth Fund should initially be funded.

The Meeting ended at 9.44 pm

Chairman

# Agenda Item 12

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank

# Agenda Item 13

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is left intentionally blank